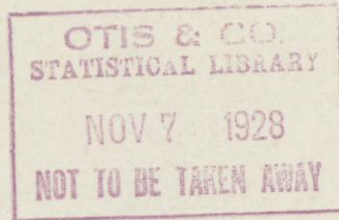


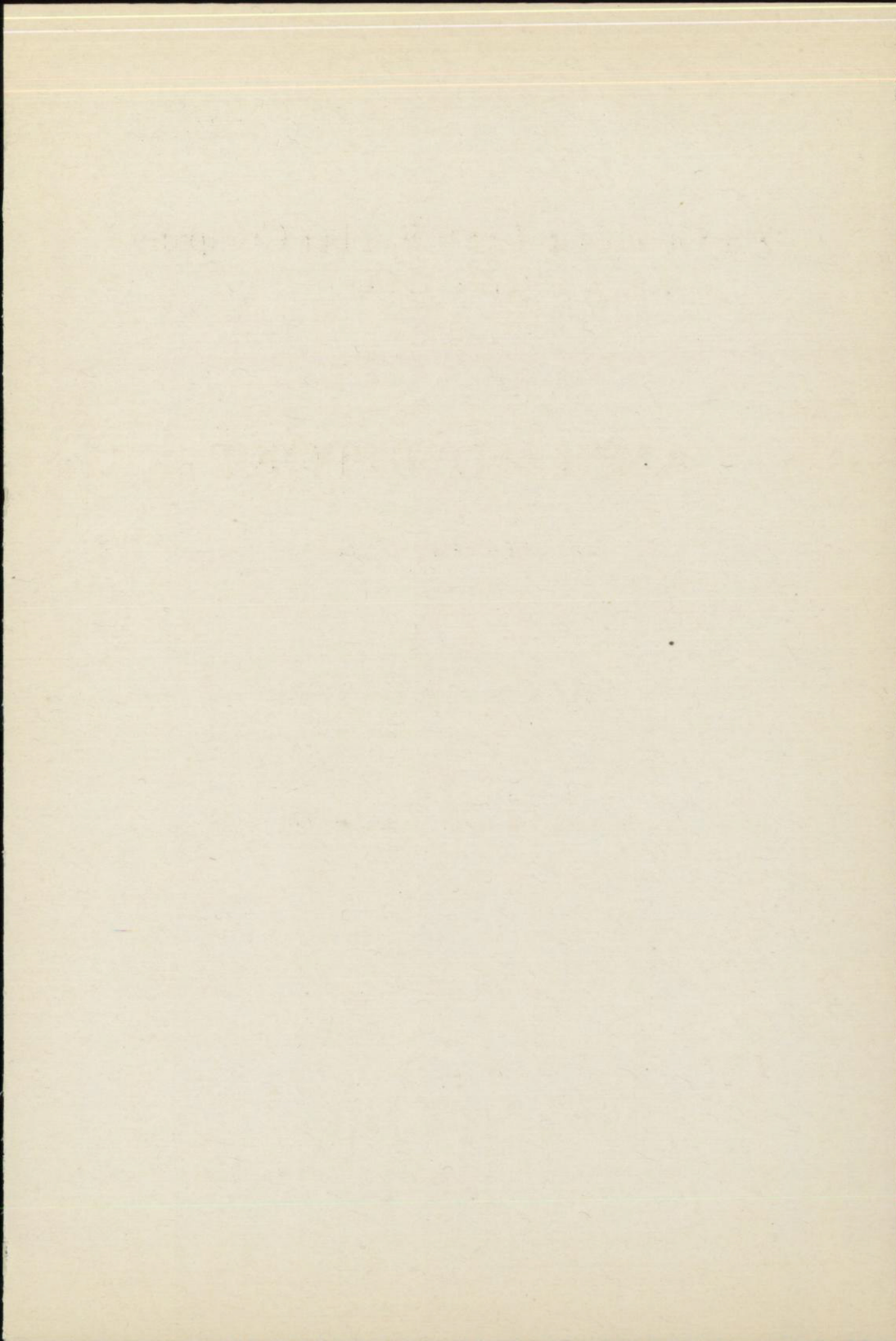
THE GOODYEAR TIRE & RUBBER COMPANY

OF CANADA, LIMITED

NEW TORONTO, ONTARIO



ANNUAL REPORT
1928



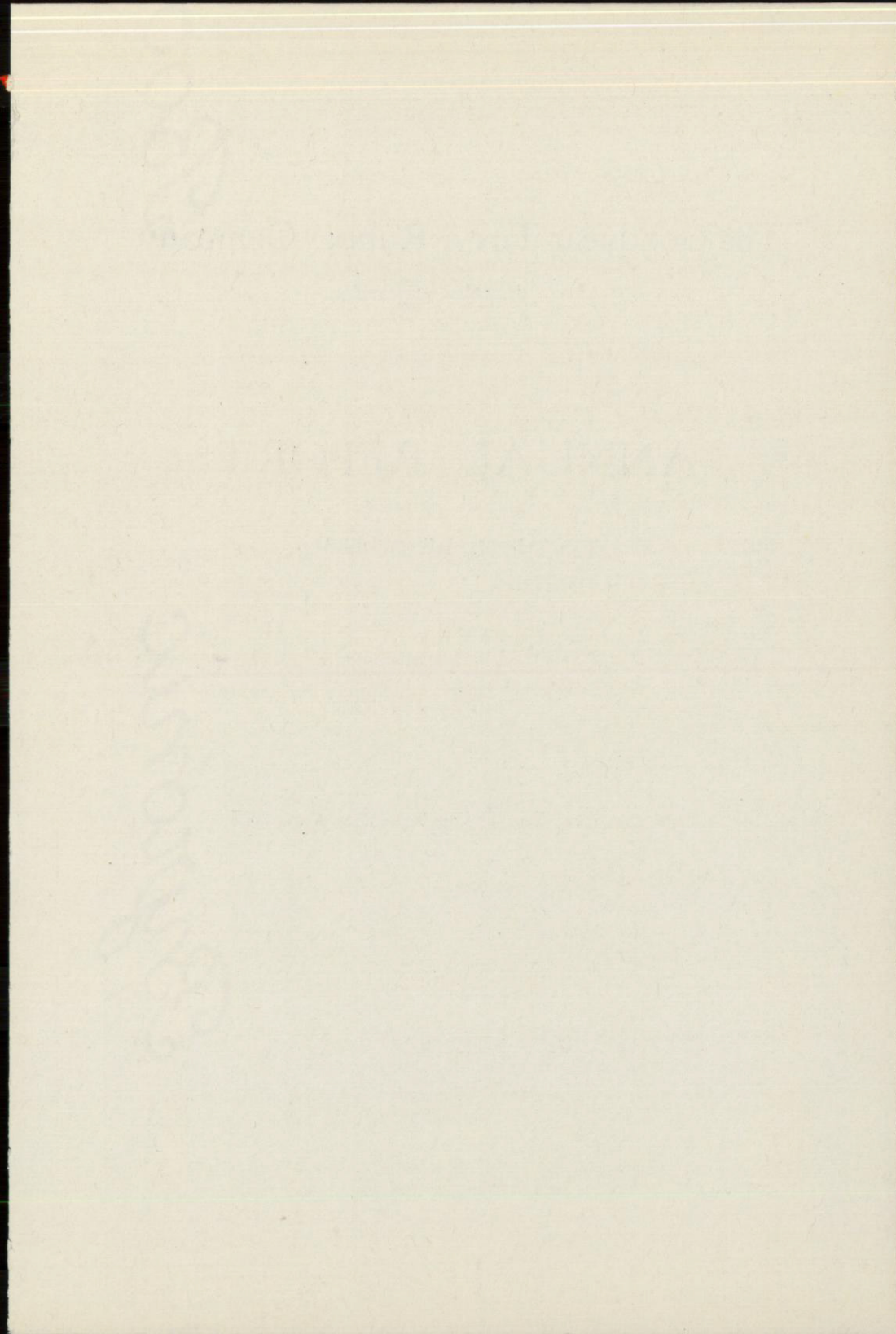
The Goodyear Tire & Rubber Company
of Canada, Limited

ANNUAL REPORT

TO THE SHAREHOLDERS

For the Fiscal Year ending September 30th, 1928

New Toronto, Ontario



ANNUAL REPORT OF THE DIRECTORS

OF

The Goodyear Tire and Rubber Company

of Canada, Limited

Toronto, October 23rd, 1928.

To The Shareholders:

Your Board of Directors submits the accompanying Balance Sheet as of September 30th, 1928, certified by your Auditors, Price, Waterhouse & Company, which sets forth the results of the operations for the past fiscal year and the present position of the Company.

After providing for all manufacturing, selling, administrative expenses and taxes, the profits for the year are \$3,577,697.30. Out of this amount we have set aside \$820,487.18 for depreciation of buildings and equipment, leaving a net profit for the year of \$2,757,210.12. This amount exceeds the profits of any previous year in the history of the Company. The above profits do not include a further profit on the export business of the company for the past three months owing to our not knowing the exact amount thereof at the time of issuing this statement.

A complete inventory has been made of all of the assets of the Company. Stocks, crude, in process and manufactured, have been priced at cost or market value which ever was the lower. Adequate reserves have been provided to meet all possible losses for bad debts and outstanding liabilities, including income taxes etc.

MAY 24-32 CTIS HG

The following summary shows the disposition of the profits for the year:

On retiring 1260 shares of Preferred stock having a par value of	\$ 126,000.00
Dividend @ 7% on Preferred stock..	547,666.00
Dividend of \$5.00 a share on Common stock	666,500.00
Bonus of \$1.00 a share on Common stock	133,300.00
Net expenditures for additions to plant and equipment	650,843.77
Earnings of subsidiary companies not withdrawn	120,808.68
Increase in deferred charges	8,781.38
Increase in net current assets or working capital	1,323,797.47
	<u>\$3,577,697.30</u>

By referring to the Balance Sheet it will be seen that your Company's position has been materially strengthened, even as compared with that of a year ago.

In addition to the increases in our Buildings and Plant and Reserve for Depreciation above-mentioned, it will be noted that the Working Capital has increased by \$1,323,797.47 and that the cash balance at Sept. 30, 1928 amounts to \$4,657,445.70, an increase of \$1,522,444.77. The surplus of \$5,901,549.68 represents an increase of \$1,409,744.12.

Your current assets are 6.3 times your current liabilities, and you have a working capital of \$8,639,689.86. Your reserves for depreciation are equal to 42% of the gross book value of buildings and equipment.

Notwithstanding the addition to our plants referred to in our report of a year ago, our production facilities were insufficient for the domestic and foreign business offered us during the present year, therefore, we found it necessary to add to our New Toronto plant. The extension to the plant is now under roof and will be ready for occupancy by December 1st. During the past year

our Canadian business increased 30½% in unit volume, but owing to the lack of buildings and equipment we were not in a position to take care of all foreign business offered. All three of your plants have been operated throughout the year to a maximum production. Your cotton plant at St. Hyacinthe has proven a most profitable investment. It is producing a very high grade product and its entire output is not sufficient to supply the requirements of our two rubber plants.

Some information in regard to the plants may be of interest to our shareholders. At the cotton plant at St. Hyacinthe we have 5.75 acres of land, at the Bowmanville plant 33.35 acres of land and at the New Toronto plant 25.86 acres, making a total of 64.96 acres. The total of factory floor space is 24.64 acres composed as follows:

St. Hyacinthe	3.89
Bowmanville	3.33
New Toronto	17.42

Your plants are all modern, well laid out, economically operated and in good repair.

The year's business just closed was difficult to handle, owing to the rapid decline in price of rubber—in January rubber was 42c per pound and declined to a low of 17c per pound. Your Company was fortunate in that it did not have to take a write down on its crude or finished product. The only loss sustained during the year was the rebates to dealers on decline of finished stocks on hand. Your Company has a comfortable supply of crude materials, none of which are in excess of the current market price.

We are entering the present fiscal year under most favorable conditions and would predict that your Company will keep pace with the rapid development, both of Canadian and foreign trade.

Respectfully yours,

C. H. CARLISLE,
President and General Manager.

THE GOODYEAR TIRE & RUBBER

BALANCE SHEET

ASSETS

CURRENT AND WORKING ASSETS:

Cash:—

In banks	\$ 1,716,964.94	
On hand and in transit		
from branches	240,480.76	
Call loans	2,700,000.00	
		\$ 4,657,445.70

Accounts receivable:—

Customers	\$ 2,652,956.04	
Miscellaneous	302,995.11	
		\$ 2,955,951.15

Less—Reserve for bad		
and doubtful accounts	101,000.26	
		2,854,950.89

Inventories:—

Finished goods	\$ 1,496,666.12	
Goods in process	357,950.19	
Raw materials and		
supplies	956,410.32	
		2,811,026.63

\$10,323,423.22

INVESTMENTS IN AND ACCRUED EARNINGS OF SUBSIDIARY COMPANIES:

487,141.20

REAL ESTATE, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT:

8,735,006.88

DEFERRED CHARGES TO OPERATIONS:

Insurance, taxes and rents, paid in advance 55,899.10

\$19,601,470.40

COMPANY OF CANADA, LIMITED

SEPTEMBER 30, 1928

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$	975,077.57
Miscellaneous		271,814.29
Dividends on Preferred and Common Stocks payable October 1, 1928		436,841.50

\$1,683,733.36

RESERVES:

For depreciation of buildings, plant, machinery and equipment		3,579,207.36
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CAPITAL STOCK:

Seven per cent. Cumulative Preferred Stock—

Authorized—195,000 shares of \$100.00 each

\$19,500,000.00

Issued and fully paid—

79,498 shares of \$100.00 each

\$ 7,949,800.00

Less 1260 shares redeemed during year

126,000.00

7,823,800.00

Common Stock—

Authorized—150,000 shares of no par value of which 133,300 shares have been issued

\$ 133,300.00

Capital surplus

479,880.00

613,180.00

SURPLUS:

As of October 1, 1927

\$ 4,491,805.56

Profit for the year ending September 30, 1928, before providing for depreciation, but after deducting income tax

\$ 3,577,697.30

Less—Reserve for depreciation

820,487.18

2,757,210.12

\$ 7,249,015.68

Deduct—Dividends:

On 7% Preferred Stock

\$ 547,666.00

On no par value Common Stock, at \$5.00 a share

666,500.00

Bonus of \$1.00 a share on Common Stock

133,300.00

1,347,466.00

5,901,549.68

\$19,601,470.40

PRICE, WATERHOUSE & CO.

Chartered Accountants

ROYAL BANK BUILDING

TORONTO, CANADA

October 23rd, 1928.

To the Shareholders of

THE GOODYEAR TIRE AND RUBBER COMPANY OF CANADA, LIMITED

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited for the year ending September 30th, 1928.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Company at prices not in excess of cost or market; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at September 30, 1928 are included in the Balance Sheet.

And we certify that the annexed Balance Sheet is drawn up so as to show the true financial position of the Company as of that date and the results from the operations for the year ending September 30, 1928 according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,

Auditors.

BOARD OF DIRECTORS

C. H. CARLISLE
TORONTO

C. B. McNAUGHT
TORONTO

P. W. LITCHFIELD
AKRON

C. F. STONE
AKRON

J. E. McALLISTER
TORONTO

P. A. THOMSON
MONTREAL

C. C. SLUSSER
AKRON

EXECUTIVE OFFICERS

C. H. CARLISLE
President and General Manager

C. B. McNAUGHT
Vice-President

J. G. LANE
Assistant to the President and
Treasurer

R. C. BERKINSHAW
Secretary and
General Counsel

W. H. JEEVES
Assistant Treasurer

H. A. TIPPLE
Assistant Secretary and
Assistant Comptroller

B. W. LANG
Assistant Comptroller

H. C. LOWER
General Sales Manager

E. H. KOKEN
General Superintendent

R. P. D. GRAHAM
Manager, Export Department

GOODYEAR PRODUCTS

TIRES:—Automobile, Truck, Bus and Motorcycle.

TUBES:—Automobile, Truck and Bus (Regular and Heavy Tourist),
Motorcycle (Endless and Butt End).

ACCESSORIES:—For all Pneumatic Type
Tires and Tubes, Tire Chains, Repair
Fabric and Gum, Rims and Parts, Rubber
Cements, Tubing, Vulcanizers' Supplies.

BELTING:—Conveyor, Elevator, Transmission, Miscellaneous.

HOSE:—Garden, Air Drill, Pneumatic Tool,
Steam, Radiator, Suction, Fire, Miscellaneous.

PACKINGS AND SHEETINGS:—Hydraulic,
Piston, Goodyearite Asbestos Sheet
Packing.

MISCELLANEOUS:—All kinds Rubber Mats
and Matting, Bumpers, Lathe Goods,
Valves, Molded Goods of all Descriptions, etc.

WINGFOOT RUBBER HEELS AND SOLES.

The Goodyear Tire & Rubber Company of Canada, Limited

General Offices: NEW TORONTO, ONT.

Factories: { BOWMANVILLE, ONT.
NEW TORONTO, ONT.

VANCOUVER, B.C.	1004 Homer St.
CALGARY, ALTA.	335 8th Ave. West
EDMONTON, ALTA.	10229 105th St.
SASKATOON, SASK.	118 3rd Avenue South
REGINA, SASK.	Cor. Broad St. and 6th Ave.
WINNIPEG, MAN.	97 Higgins Ave.
FORT WILLIAM, ONT.	303 Simpson St.
LONDON, ONT.	318 Dundas St.
HAMILTON, ONT.	20 George St.
TORONTO, ONT.	152 Simcoe St.
OTTAWA, ONT.	246 Queen St.
MONTREAL, QUE.	318 St. James St.
QUEBEC, QUE.	Cor. Crown and Fleury Sts.
ST. JOHN, N.B.	83 Prince William St.
HALIFAX, N.S.	84 Hollis Street

Wholesale Distributors at Victoria, B.C., Lethbridge,
Alta., and Walkerville, Ont.

Over Five Thousand Canadian Retail Dealers
carry stocks of Goodyear Made-in-Canada
Automobile Tires.

